

## Instructions

This form needs to be completed by the MTRS member seeking to purchase his or her past service as well as an official in the governmental unit in which the service was rendered. Please note that, in order for us to process this purchase, we must receive this information in this format on this form. We kindly ask each of you to take the following steps:

- **Member:** Complete Part 1 and forward this form to the governmental unit in which your service was rendered.
- **Payroll official:** Complete Part 2 and/or 3, Parts 4 and 5, and then return this form to the member.
- **Member:** Make a copy of your completed form for your records and then send the original form to the MTRS's main office or Springfield office for processing.

If you have any questions, please contact a Member Services representative in our main or Springfield office.

M T R S   U S E   O N L Y

MS

### 1 Member information *To be completed by member*

Social Security number . . . . .		MTRS Member number, if known	
Name . . . . . First		MI	Last
Former/maiden name . . . . .		<input type="checkbox"/> Not applicable	
Home address . . . . .			
City		State	Zip
Home phone . . . . . (      )		E-mail	
Current or most recent school district . . . . .			
Governmental unit in which this past service was rendered		For our processing purposes, are you applying to purchase service rendered in other governmental units? <input type="checkbox"/> Yes <input type="checkbox"/> No	

### 2 Service rendered on a daily or hourly basis *To be completed by payroll official of governmental unit*

Please use this section to report temporary or part-time service rendered in your governmental unit by the member named in Part 1.

- Use this section to report periods of service rendered on a daily, hourly or weekly basis; report any period of service rendered on an annual contract basis in Part 3. If additional space is needed, please make a photocopy of this page and continue.
- List the service in chronological order, beginning with the oldest service and ending with the member's most recent service.
- Please report ALL of his or her past temporary or part-time service with your governmental unit.

Month and year in which service was rendered	Member's title or position during service	FOR SERVICE RENDERED ON A(N):						Gross amount paid for month
		DAILY BASIS		OR	HOURLY BASIS		OR	
		provide the total number of days and daily rate			provide the total number of hours and hourly rate			
		Number of days	Daily rate		Number of hours	Hourly rate		
/			\$			\$		\$
/			\$			\$		\$
/			\$			\$		\$
/			\$			\$		\$
/			\$			\$		\$

Name of applicant: \_\_\_\_\_

MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

Service purchase application, page 2 of 2

Social Security number: \_\_\_\_\_

Other Massachusetts public service

**3 Service rendered under the terms of an annual contract** *To be completed by payroll official of governmental unit*

Please use this section to report ALL previous periods of service rendered on an annual contract rate basis (as opposed to a daily, hourly or weekly basis). If additional space is needed, please make a photocopy of this page and continue.

Period during which service was rendered		Member's title or position during service	Percentage of full time	Employee status <i>Check one</i>		Annual contract rate	Gross amount paid
From mm/dd/yyyy	To mm/dd/yyyy			Temporary	Permanent		
/ /	/ /		%	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
/ /	/ /		%	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
/ /	/ /		%	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
/ /	/ /		%	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
/ /	/ /		%	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$

**4 Additional employment information** *To be completed by payroll official of governmental unit*

Please answer the following questions and then forward this form to the member.

a) Were retirement contributions made based upon this service? ☐ Yes ☐ No ☐ Don't know

b) What was the member's employment status during this service? ☐ Employee ☐ Consultant/Vendor

☐ Other

**5 Statement and signature** *To be completed by payroll official of governmental unit*

I certify that the information I have provided in this form is true and accurate.

Signature .....

Date

/ /

Name (please print).

Title .....

Agency/City .....

Address .....

City

State

MA

Zip

Phone .....

( )

Fax

( )

E-mail. ....



## INTEREST INCREASE ALERT

Pursuant to pension reform legislation effective April 2, 2012, the rate of interest charged on this type of service purchase **INCREASES** from "buyback" interest (currently, 4.125%) to "actuarial" interest (currently, 8.25%) **if you do not submit your completed service purchase application BEFORE APRIL 2, 2013.**

Note: If you are a former member of a Massachusetts contributory retirement system who has re-entered membership after April 2, 2012, you will be charged buyback interest if your service purchase application is received within one year of your date of re-entry to service.

For details, and examples of buyback and actuarial interest charges, please see our website at [mass.gov/mtrs](http://mass.gov/mtrs).

### Re: Purchasing creditable service for other Massachusetts public service— Instructions and application form

Dear Member,

If you were employed by a Massachusetts public employer and, during your employment, you were **not** a member of a Massachusetts contributory retirement system, you may be eligible to purchase credit for your prior service. To determine whether you may be eligible to purchase this type of service, please answer these questions:

- 1) **Were you employed by a city, state or county governmental unit in Massachusetts prior to entering (or re-entering) active service with the Massachusetts Teachers' Retirement System?** ..... ☐ Yes ☐ No  
If "yes," please go to Question 2.
- 2) **Was this service rendered as a "consultant"?** ..... ☐ Yes ☐ No  
If "no," please go to Question 3. If "yes," this service is not eligible, as service rendered as a consultant may not be purchased.
- 3) **Was this service rendered without compensation as a selectman, city councillor or alderman, school committee member, moderator or library trustee?** ..... ☐ Yes ☐ No  
If "no," please go to Question 4. If "yes," this service is not eligible, as uncompensated service rendered in any of these specific positions may not be purchased.
- 4) **If your service was rendered after July 1, 2009, did you earn at least \$5,000 per year?** ..... ☐ Yes ☐ No  
If "yes," please go to Question 5. If "no," this service is not eligible, as for service rendered after July 1, 2009, you had to have earned at least \$5,000 per year.
- 5) **During your employment, were you a member of a Massachusetts contributory retirement system?** ..... ☐ Yes ☐ No  
If "no," you may be eligible to purchase credit for your prior service. Please review the instructions and application contained in these pages.  
If "yes," your prior service may already be credited with the MTRS. If it is not credited with us because you took a refund of your retirement account with your prior employer, you may be eligible to receive credit for this service by "buying back" your refund. If you still have funds on account with the other retirement system, we will request a transfer of your contributions and interest. Please contact our office for more information.

In summary, if you answered "yes" to Questions 1 and 4, and "no" to Questions 2 and 3, then you may be eligible to purchase creditable service for your previous Massachusetts public service. If you wish to apply to purchase this creditable service, it is best if you complete and return your application at least six months before your date of retirement. Service cannot be purchased after the effective date of your retirement. If you have any questions, please contact us. We look forward to helping you!

Sincerely,

**JOAN SCHLOSS**, Executive Director

## Q&A: Purchasing credit for other Massachusetts public service

### Are there any other requirements or restrictions I should know about?

Yes—the maximum amount of credit you may purchase for time during which you were not a member of another Massachusetts contributory retirement system is 20 years. (There is no limit on the amount of service you may purchase for time during which you were a member of another Massachusetts contributory retirement system.) Additionally:

- Service rendered as a “consultant” (or “03” employee) is not eligible for purchase.
- Effective July 1, 2009, credit may no longer be purchased for uncompensated service rendered as a selectman, city councillor or alderman, school committee member, moderator or library trustee; however, service in these positions that was purchased prior to 7/1/2009 will count as creditable service.
- For other Massachusetts public service rendered after 7/1/2009 to be eligible for purchase, you had to have earned at least \$5,000 per year.

### How can I determine if it makes financial sense for me to purchase all—or just a portion—of my other Massachusetts public service?

Depending on how much creditable service you will have at the time of retirement, purchasing your other Massachusetts public service credit may or may not make financial sense for you. Please be aware that a retirement allowance can be no higher than 80 percent of your allowable final salary average, and a service purchase, once made, cannot be refunded. So, before you decide to purchase this service, or decide how much to purchase, please consider whether you expect to be at or near the 80 percent maximum at the time of your retirement *without* this purchase. Please visit our online benefits estimator.

### I wish to apply for credit for my other Massachusetts public service. What do I need to do now?

The process is simple. You need to:

- 1) **Complete** the front of the application form (next page).
- 2) **Contact** the payroll or business office of your prior Massachusetts public employer and explain that, for purposes of potentially purchasing your prior service credit, you need documentation of your service, and that you would like to have a representative complete a portion of your application. Ask this person to complete Part 4 and then return the form to you.
- 3) **Make** a copy of your completed application for your records.
- 4) **Submit** your completed **original** application pages to either our main or Western Regional office (addresses on form). Please note that your application will not be accepted unless **ALL** sections are complete; if any required sections are not complete, your form will be returned to you for completion.

### What happens after I return my completed application?

We will review your application, and work with the retirement system that has jurisdiction over your former employment to verify your eligibility and determine how much service you may purchase. We will then calculate your cost and send you an invoice. Along with your invoice, you will receive information regarding how you may pay for your purchase.

### How is the cost of my service purchase calculated?

The cost of purchasing your past service is based on what you would have paid in retirement contributions to the MTRS during the period of your employment with the other Massachusetts public employer at the contribution rate that would have been in effect, plus interest to date.

**INTEREST INCREASE ALERT:** Depending on your membership history and date of application, you will be charged *either* “buyback” interest (currently, 4.125%) *or* “actuarial” interest (currently, 8.25%). For details on how your interest rate is determined—and whether you may qualify for the limited, time-sensitive opportunity to pay the lower, “buyback” interest rate—please visit our website at [mass.gov/mtrs](http://mass.gov/mtrs).

#### EXAMPLE

If you worked in the Cambridge Public Works Department from June to September 1976, and your earnings for that period were \$3,000, your cost to purchase those three months of service (0.25 year of creditable service) would be \$210, plus interest from September 1976 to the date of your purchase.

Earnings from June–Sept 1976	\$	3,000
x Contribution rate of 7%	x	0.07
Annual contributions to MTRS for period		
	\$	210
+ Interest from June 1977 to date of purchase	+	Interest
Total purchase cost		Total cost

#### CONTRIBUTION RATE TABLE

If your MA public service was rendered...	The contribution rate applied is...
Before January 1, 1975	5%
January 1, 1975 through December 31, 1978	7%
January 1, 1979 through December 31, 1983	7% + 2% on earnings over \$30,000
January 1, 1984 through June 30, 1996	8% + 2% on earnings over \$30,000
July 1, 1996 through June 30, 2001	9% + 2% on earnings over \$30,000
July 1, 2001 or after	11%